

August 18, 2016

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Consumer Protection and  
Enforcement Division

San Francisco, California  
Agenda ID #15006  
RESOLUTION TL-19122  
Date: August 18, 2016

**RESOLUTION**

**RESOLUTION TL-19122. AMENDING GENERAL ORDER 115-F, RULES REQUIRING ALL CHARTER PARTY CARRIERS OF PASSENGERS SUBJECT TO THE PUBLIC UTILITIES CODE TO PROVIDE AND THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH CARRIERS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY**

**PROPOSED OUTCOME:**

- Amends General Order (GO) 115-F to reflect the current requirement for insurers to electronically file insurance using the existing e-filing system for charter-party carriers of passengers pursuant to resolution TL-19105
- Set forth specific monetary requirements for liability and other insurance coverage for Transportation Network Companies (TNCs) and their participating drivers

**SAFETY CONSIDERATIONS:**

- Requiring insurers to electronically file insurance for charter-party of passenger (TCPs) through the existing electronic filing (e-filing) requirement will allow the Commission to receive timely notice of any defaults or policy cancellation that will protect the general public

- Implementing legislation and Commission decision that sets forth specific monetary requirements for liability and other insurance coverage for TNCs and their participating drivers benefits members of the general public

**ESTIMATED COST:**

- No additional cost is expected

**SUMMARY**

This resolution amends GO 115-F to:

- 1) Incorporate into GO 115-F the e-filing requirements adopted in Commission Decision (D.) 16-04-041 and Resolution TL-19105 related to liability, cargo, and workers' compensation insurance policies for motor carriers of passengers and household goods.
- 2) Implement legislation that sets forth specific monetary requirements for liability and other insurance coverage for TNCs and their participating drivers.

This Resolution adopts GO 115-G by incorporating the amendments set forth in Exhibit 1.

**BACKGROUND**

In 2012, the Commission adopted an e-filing requirement for insurers of TCPs, passenger stage corporations (PSC), household good carriers and private carrier of passengers. Insurance companies must also electronically file a 30-day notice of cancellation with Commission.

In 2013, the Commission required TNCs to maintain commercial liability insurance policies providing not less than \$1,000,000 per-incident coverage for incidents involving vehicles and drivers while they are providing TNC services<sup>3</sup>.

In March 2014, an Assigned Commissioner's Ruling was issued seeking information on (1) insurance requirements adopted and their potential impact on public safety, (2) review of the policies the TNCs submitted with their applications, (3) defining

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<sup>3</sup> D.13-09-045, Ordering Paragraph 6 at 73.

“providing TNC services,” and (4) what insurance coverage must be in force and effect while a driver is “providing TNC services<sup>4</sup>.”

On September 17, 2014, the Governor signed Assembly Bill (AB) 2293, amending the Passenger Charter-Party Carriers’ Act to enact Public Utilities Code (PU Code) Section 5430 et seq., which specified liability insurance coverage requirements for TNCs and their participating drivers. These requirements became operative on July 1, 2015.

The bill described two distinct time periods and would specify the insurance requirements for each of those time periods and alternative methods of compliance with those requirements. The bill required uninsured and underinsured motorist coverage to be provided for specified time periods. In the event a driver’s insurance policy ceased to exist or has been canceled, or under certain other circumstances, the bill required a TNC’s insurance policy to provide the required coverage.

On November 25, 2014, the Commission issued D.14-11-043, implementing legislation setting forth the insurance requirements for each period. It also found a gap in the primary insurance coverage and ordered a minimum gap coverage of \$100,000 until AB 2293 became operative on July 1, 2015<sup>5</sup>.

PU Code Section 5433(b) and 5433(c) describe two distinct time periods, the insurance requirements for each of those time periods and alternative methods of compliance with those requirements.

The key provisions require a TNC or a TNC driver to maintain primary liability insurance coverage at the following levels:

- a. \$50,000 per person and \$100,000 per occurrence for death and personal injury and \$30,000 for property damage from the moment the driver logs on to the application until the driver accepts a ride request.
- b. \$1,000,000 for death and personal injury and property damage from the moment a ride request is accepted until the passenger exits the vehicle.
- c. \$200,000 of excess insurance coverage per occurrence provided by the TNC to cover both the TNC and participating drivers.

In D.16-04-041, the Commission clarified that the insurance e-filing requirements

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<sup>4</sup> March 25, 2014 Assigned Commissioner’s Ruling at 1.

<sup>5</sup> D.14-11-043, Ordering Paragraphs 1-6 at 26-27.

currently established for passengers and household goods carriers also applies to TNCs.

### **DISCUSSION**

The primary liability insurance coverage for TNCs is set forth as follows:

1. TNC insurance from the moment a participating driver accepts a ride request on the TNC's online-enabled application or platform until the driver completes the transaction or until the ride is completed, whichever is later, shall be primary and in the amount of \$1,000,000 for bodily injury and property damage.
2. TNC insurance coverage shall also provide for uninsured motorist coverage and underinsured motorist coverage in the amount of \$1,000,000 from moment a passenger enters the vehicle of a participating driver until the passenger exits the vehicle.
3. TNCs are required to maintain insurance coverage that provides excess coverage insuring the TNC and the driver in the amount of \$200,000 per occurrence to cover any liability which exceeds the required coverage limits arising from a participating driver using a vehicle in connection with a TNC's online-enabled application or platform within the time period specified.

Resolution TL-19105 requires insurers to electronically file insurance certificates for passenger and household goods carriers. This resolution requires TNC insurers to file electronically, streamlining the insurance filing process and improving reporting accuracy. We reaffirm the 30-day cancellation notice requirement. E-filing allows the Commission to monitor TNC compliance with insurance requirements and receive timely notice of any defaults or policy cancellations. In D.16-04-041, the Commission also noted that the parties did not oppose the proposal to require TNCs to electronically file certificates of insurance.

### **COMMENTS ON DRAFT RESOLUTION**

In accordance with the California Public Utilities Code § 311(g)(1) the Draft Resolution in this matter was made available to all parties on the service list for Rulemaking (R.) 12-12-011 and posted on the Commission's website on **July 5, 2016. Comments were filed on \_\_\_\_\_.**

**FINDINGS**

1. AB 2293 amended the Passenger Charter-party Carrier's Act to enact specific requirements for liability and other insurance coverage for TNCs and their participating drivers.
2. The amendments imposed specific requirements related to insurance coverage, indemnity and liability on TNCs effective July 1, 2015.
3. TNC insurance from the moment a participating driver accepts a ride request on the TNC's online-enabled application or platform until the driver completes the transaction or until the ride is completed, whichever is later TNC insurance shall be primary and in the amount of \$1,000,000 for bodily injury and property damage.
4. TNC insurance coverage shall also provide for uninsured motorist coverage and underinsured motorist coverage in the amount of \$1,000,000 from moment a passenger enters the vehicle of a participating driver until the passenger exits the vehicle.
5. TNCs are required to maintain insurance that provides excess coverage insuring the TNC and the driver in the amount of \$200,000 per occurrence to cover any liability which exceeds the required coverage limits arising from a participating driver using a vehicle in connection with a TNC's online-enabled application or platform within the time period specified.
6. TNC insurance coverage shall provide \$50,000 per person and \$100,000 per incident for bodily injury and \$30,000 for property damage from the moment a driver logs on to the application until the driver accepts a ride request.
7. The Commission requires insurers of TCPs to electronically file insurance certificates.
8. TNCs are charter-party passenger carriers.
9. Insurance companies must electronically file a 30-day notice of cancellation with the Commission.

**THEREFORE, IT IS ORDERED that:**

1. General Order 115-G is adopted as set forth in Exhibit 1, superceding General Order 115-F.
2. General Order 115-G is hereby amended by incorporating the amendments set forth in Exhibit 1.

3. The aforementioned changes to General Order 115-G set forth in this Resolution, and in Exhibit 1, attached hereto, are effective today.
4. The Executive Director shall cause a copy of this Resolution to be served on the all parties on the service list for R.12-12-011.
5. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted by the Commission at its regularly scheduled meeting on August 18, 2016 and that the following Commissioners approved it:

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TIMOTHY J. SULLIVAN  
Executive Director

Attachments:    Exhibit 1  
                      Certificate of Service  
                      Service List, R.12-12-011

**EXHIBIT 1**

**Main provisions of GO 115-G**

(1) Each charter-party of passengers, as defined in the Public Utilities Code, shall electronically file its insurance certificates under the insurance e-filing requirements established for passenger and household carriers, to provide and thereafter continue in effect, adequate protection against liability imposed by law upon such carriers for the payment of damages or personal bodily injuries (including death resulting therefrom) and damage to or destruction of property, other than property being transported by such carrier for any shipper or consignee, whether the property of one or more than one claimant, in amounts not less than the amounts set forth in the following schedule:

**EXCEPT:**

**Any vehicle operated under a Class P Certificate specific to transportation network companies, as defined by P.U. Code Section 5431(a):**

**Any vehicle operating under P.U. Code Section 5433(b)(1)**

.....\$1,000,000 for bodily injury and property damage

**Any vehicle operating under P.U. Code Section 5433(b)(2)**

.....\$1,000,000 for uninsured and underinsured motorist coverage

**Any vehicle operating under P.U. Code Section 5433(c)**

.....\$50,000 for bodily injury (per person)

.....\$100,000 for bodily injury (per incident)

.....\$30,000 for property damage

.....\$200,000 excess coverage

(2) Protection shall be provided via:

a. Certificate(s) of public liability insurance